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A new omission for Africa?

Recommendation to the Commission for Africa and the Government of the United Kingdom

by Alex Cobham

a shorter article based on this recommendation was published in the Guardian 8 Nov 2004

Tony Blair announced the new Commission for Africa with the following words: “I have said on many occasions that I believe Africa is the scar on the conscience of the world, and I think it is right that we continue to treat this as an absolute priority over the coming years.” As the official blurb for the Commission notes, it is the only continent to have become poorer in the last quarter century. It's not hard to imagine how continuing to give it the same level of ‘absolute priority’ could fail to improve the lives of the one in eight of the world's population who live there.

But as Commission member Bob Geldof has rightly argued, we should give the new body the benefit of the doubt. Anything that raises awareness of the issues – not famine and fly photos, but the impact of

MAIN POINTS

While the new Commission for Africa established by the UK Government is to be welcomed, it will deliver little unless its members are willing to consider policies which recognise the limitations in current development practice and the need for rich country citizens to contribute more.

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policy – is to be welcomed. The question that remains is whether the Commission will allow itself to consider the policies that could make real change happen.

The story of development thus far is one of failure, and nowhere more clearly than in sub-Saharan Africa. Subject to all the prevailing winds of policy, these nations have tried most of what the richer countries have had to offer – after, as much as before the formal granting of their independence. Large-scale government investment programs and often massive foreign borrowing were superceded by the credo of liberalise-privatise-deregulate, now heavily nuanced by a rhetoric of poverty reduction and a focus on institutional reform and good governance.

While economic efficiency and the creation of a better environment for business and people is necessary, this policy agenda follows the same troubled path as previous more abrasive versions. Where economic efficiency is obtained, there are of course benefits – at least eventually – for the poor as well as the rich. The problem has been that efficiency has not been obtained. Policies have been applied with little thought for the particular characteristics of subject economies.

Perhaps worst of all has been the failure to recognise a central implication of economics, the study of the allocation of scarce resources. Though often claiming to act in the name of economics, the setters of the international policy agenda have wasted precisely the scarcest resource in the practice of development – namely policy effort. Given the notable acceleration of progress when he is personally involved in any UK initiative, Tony Blair must surely understand this problem only too well.

Countries with limited institutional strength and limited quality of governance have been repeatedly overstretched by the demands of bilateral and, above all, multilateral donors. Tax reform programmes have seen poor countries struggle towards the moving target of rich country systems, at the same time as dealing with the significant loss of import duties resulting from enforced trade liberalisation. Social expenditure has often been sacrificed to budgetary discipline, despite rhetoric of greater country ownership of policies and greater concern with poverty reduction.

Stability is consistently more important than sporadic periods of high growth, be it for economic performance, for political representation or, most importantly, for sustained investment in human capabilities including health, education and cultural freedom. But attempts continue to effectively recreate rich country systems institutions and governance norms – even if the practical policy implications include e.g. funding stronger property rights at the expense of reduced social spending. Even if economic growth was the only goal, with no thought for the life expectancy or quality of life of the poor, these policies cannot deliver when instability is the result – as is repeatedly the case.

Liberalisation of international financial flows has been of trivial benefit and has often provoked capital account crises. Moreover, it has yet to be shown to generate any sustained economic growth advantage. And among other problems generated, it stretches further governments' ability to govern – through the imposed constraints of 'market discipline' and through the expensive need to manage capital flows. The instability has been deeply damaging even for the relatively strong economies and institutions of East Asia.

But the flipside of this argument is absolutely not that sub-Saharan Africa should seal itself off from the world until its institutions, governance and economy somehow become strong enough to cope with the demands of globalisation. Those demands are in fact ours – and it is only we who can reduce the damage they do to a continent we claim to be concerned for. If the Commission is to make a difference, it must reassess the policy priorities in this light and focus on those missing steps which have been ignored for too long. It is our own sins of omission, much more than the failure of any poor country government or its institutions, which maintain the immorality of world inequality.

Our trade policies are guaranteed to be most protectionist in precisely the areas where most African economies could actually reap some benefits of their own liberalisations; namely agriculture, exploiting the domestic combination of relatively plentiful land and labour. We will pay more for our food if we end EU, US and Japanese subsidies – and so we should.

The behaviour of our multinationals is another easy target, with codes of 'corporate social responsibility' in effect leading to the subcontracting of the same sweatshop conditions. That it is a Malaysian business employing Bangladeshi workers in Namibia, in conditions which would have caused outrage even in polite Victorian society if suffered by Irish navvies, should not allow corporate deniability for the German and US companies which ultimately sell the produced textiles to us. We will pay more for our clothes and electronics if we refuse to accept this – and so we should.

But much more effective – if less guiltless for you and me – is to pay more directly. The only way the lives of most Africans in twenty or fifty years will meet the basic criteria you can think of for a good life is through a massive transfer of funds. If you don't see the moral justice then you can use the grotesque argument that this will be the best possible outcome for us too, in terms of economic growth and political stability.

Efficient policy making and good governance in Mozambique – for example – will never be enough to stop many people there living short and awful lives. To return to Sir Bob, we can still give ourselves the benefit of the doubt – but we will surely judged by future generations if not our own if we don't do what the man said: just give them the fucking money.